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SOURCE FBIB (This strictly factual report is based solely on monitored foreign radio broadcasts received in Washington up to 7 a.m., 11 January 1950. It reproduces a report prepared in response to a special request)

INTRODUCTION: The first Soviet radio comment on the President's budget message appeared surprisingly early. Usually there is a delay of several days between an important event and Moscow's broadcast reaction to it; the budget message, however, evokes a Soviet radio comment on the very day of its delivery to Congress, followed by another commentary the next day. As was the case last year, Moscow concentrates on the allegedly inimical military character of the budget, "close to three-quarters (of which) will go... for expenditures connected in one way or another with the policy of instigating a new war." Satellite radio broadcasts on the subject pursue an identical line. Few comments have been received from foreign radios outside the Soviet orbit.

"FURTHER MILITARIZATION": The first Soviet commentary on 9 January analyzes the budget in terms of the overwhelming proportion allocated to what it calls "war needs" as compared to the "miserable part" earmarked for internal social needs. That this initial broadcast may have served to lay down a basic propaganda line is suggested by the rigid adherence of subsequent Soviet and Satellite commentaries to its "factual" pattern. The second Soviet commentary (10 January) on the budget, however, is embellished with many more explicit generalizations about America's "further militarization," which is allegedly reflected, as from a mirror, in the President's message. One of these generalizations tries to identify the present U.S. Government with Hitlerite Germany--a frequent theme in Soviet radio propaganda, but one that has not yet been used in comments about either the President's State of the Union message or his economic report. Says the commentator:

"For the scale of war preparations in peacetime, the policy of the present U.S. Government can only be compared with that of Hitlerite Germany during the years preceding the Second World War."

The implication of this statement is made explicit in his later charge that the foreign policy of the Truman administration is one of "open preparation for a new war and the

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formation of aggressive blocs." Of some interest is that whereas the first Soviet commentary mentioned that "expenditures connected with eliminating the consequences of past wars" made up part of the budget's "71 percent" allocated to "war needs," the second commentary omitted this item altogether and stated baldly that "close to three-quarters will go... to militaristic purposes, for armaments, for expenditures connected in one way or another with the policy of instigating a new war." Both of the commentaries, however, examine the "hidden" military expenditures and in almost identical words find that "under the heading of 'developing natural resources' there is an item of \$70 million dollars for developing atomic energy"--which, as everyone knows, bears an exclusive military nature in the United States."\*\*

Satellite comment has been received from the Soviet-controlled Berlin radio and from the Polish and Czechoslovak Home Services. The only apparent deviations from Radio Moscow's pattern are two: (1) Warsaw claims that Truman announced a 20 percent reduction of foreign aid funds because he realized the "bankruptcy of the Marshall Plan," and that he will divert the saving of one billion dollars to armament of the American "satellites"; and (2) according to Berlin, "Truman's announcement that U.S. expenditures for military and warlike preparations is to be doubled caused a great sensation."

"MISERABLE" ALLOCATIONS FOR SOCIAL NEEDS: Both Moscow and the Satellite radios commiserate with the American working people, for whose welfare such a "negligible share" of the budget was allotted. "The children of working people will still be deprived of an opportunity to study.... Tens of millions will still be deprived of medical service. ... Millions of American families will go on living in slums; millions of homeless and starving people are doomed to a miserable existence."

WORKERS TO BE BURDENED WITH NEW TAXES: Attributing the budget deficit to "the drop in production and trade" as well as to the "huge sums for military expenditures," both Moscow and the Satellite radios also predict that "the main burden of the new taxes will fall on the shoulders of the working people; this can be seen from the fact that the draft budget calls for a \$617 million reduction in corporation taxes, (while) on the other hand it calls for an increase of \$275 million in the taxes paid by the population."

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\* A Prague commentary declares, without qualification, that this money is to be used for the production of "atomic bombs."

\*\* A 9 January Soviet commentary, ostensibly devoted to the State of the Union message, also talks about 70-odd percent of the budget going for war needs; it charges that "plans for fiendish atom bombing" are one phase of the U.S. policy aimed at "winning world supremacy for the U.S. monopolies."

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